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2. Iron Ore Mining in Czechoslovakia

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1. The basic aim of the forthcoming Moscow Economic Conference is not economic but political. It represents another Soviet attempt to emphasize war preparations of the Western powers and underscore peaceful intentions of the USSR. However, the conference will have certain economic objectives. The Council for Mutual Economic Cooperation, the Cominform agency charged with carrying out the so-called Molotov plan, will probably hold a secret meeting in Moscow during the conference. To point up the supposed economic features of the meeting, Moscow has ordered all inter-satellite and Soviet-satellite trade negotiations suspended until the Moscow Economic Conference opens. The conclusion of satellite trade treaties at the conference can thus be played up in Soviet propaganda.
2. The economic situation in Czechoslovakia continues to worsen. In 1951, Czechoslovakia failed to fulfill almost all trade treaties with other satellites and the USSR. Only with Hungary was an approximate trade balance reached. The following are the approximate Czechoslovak deficits incurred in 1951 with other countries of the Soviet orbit:

Bulgaria, 800 million crowns;
Poland, 1 billion 500 million crowns;
Communist China, 2 billion crowns;
USSR, 2 billion crowns.

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Because of the critical economic situation and the failure to end raw material shortages, Czechoslovak Minister of Foreign Trade Antonin Gregor will probably be relieved soon. If Gregor is relieved, it is likely that Josef Pommer, Chief of the import division of the Ministry of Foreign Trade, will be purged with him.

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3. Sizeable new iron ore deposits which were recently discovered in the Ejpvovice (N50/L14) area are said to have a much higher iron content than the Nucice (N51/L67)(?) deposits. The Czech building trust Baraba is erecting mining buildings and sinking additional exploratory shafts in Ejpvovice. A railroad line is being constructed to the mining site.

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4. The research institute at Klenovice is the center for all mineral prospecting for Czechoslovakia. Several smaller mineral prospecting and testing installations which are located elsewhere are being closed and their personnel and materials shifted to Klenovice.

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